

Businesses are required to obtain certificates of registration from the Department in order to lawfully sell tangible personal property at retail in this State. See 35 ILCS 120/2a. (This is a GIL).

July 20, 2000

Dear Xxxxx:

This letter is in response to your letter dated May 5, 2000 that was received in our office on June 26, 2000. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be accessed at the Illinois Department of Revenue's Web site, <http://www.revenue.state.il.us/legalinformation/regs/part1200>.

In your letter, you have stated and made inquiry as follows:

I am in the process of starting a home business (computer graphics, resumes, invitations and etc.). Right now I am still in the information stage as far as getting legalized. I would like to request a checklist, if possible, of all the legal aspects to be taken care of in order to operate my business legitimately. I already own a tax I.D. number which I have owned since 1997 but because of financial reasons I was unable to get started then, is my tax I.D. number still valid? Do I need to apply for an EIN as well? Please help me by sending what ever information you can. Thank you in advance for your time and consideration.

In general, the sale of tangible personal property at retail (i.e. to end-users) in Illinois is subject to Retailers' Occupation Tax liability. Sellers must be registered with the Illinois Department of Revenue and file and remit returns. You may check with the Department's Central Registration office at (217) 785-3707 regarding the validity of a previously issued registration number.

We have enclosed copies of 86 Ill. Adm. Code 130.1995 and 130.2000 which are regulations that cover the sale of tangible personal property that can be personalized. Depending to the extent to which such property has intrinsic value to persons other than customers, sales may be subject to either Retailers' or Service Occupation Tax liability. In situations where Retailers' Occupation Tax liability is not incurred, such transactions would be subject to liability under the Service Occupation Tax Act, as explained in 86 Ill. Adm. Code 140.101, enclosed.

July 20, 2000

For information about obtaining an Employer Identification Number, you can contact the Internal Revenue Service at 1-800-829-1040.

This office can only give advice on the Illinois tax laws. There are attorneys in private practice who specialize in business law and we suggest you consider consulting one of them for legal advice regarding your planned business.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at [www.revenue.state.il.us](http://www.revenue.state.il.us). If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Karl W. Betz  
Associate Counsel

KWB:msk  
Enc.